

## Message Text

UNCLASSIFIED

PAGE 01 LAGOS 06213 021650Z  
ACTION AF-10

INFO OCT-01 ISO-00 ABF-01 FSE-00 AID-05 CIAE-00  
COME-00 EB-07 FRB-01 INR-07 NSAE-00 USIA-15  
TRSE-00 XMB-04 OPIC-06 SP-02 LAB-04 EPG-02 SIL-01  
OMB-01 NSC-05 SS-15 STR-04 CEA-01 DODE-00 PA-02  
PRS-01 AGR-10 FEA-01 INT-05 /111 W  
-----030042Z 039042 /13

R 021226Z JUN 77  
FM AMEMBASSY LAGOS  
TO SECSTATE WASHDC 1475

UNCLAS LAGOS 06213

E. O. 11652: NA  
TAGS: EFIN, NI  
SUBJ: FY 1977/78 NIGERIAN CAPITAL BUDGET INCREASE

REF : LAGOS 6177

1. FEDERAL COMMISSIONER FOR FINANCE OLULEYE ANNOUNCED MAY 27 THAT THE FMG WAS INCREASING THIS FISCAL YEAR'S CAPITAL EXPENDITURE BUDGET FROM NAIRA 5,500,000,000 TO 7,252,523,320 BECAUSE OF INFLATION. STATING THAT NO MAJOR "VIALE" DEVELOPMENT PROJECT WOULD BE DELAYED BY LACK OF FUNDING, OLULEYE SAID THAT FURTHER BUDGET INCREASES WOULD BE FORTHCOMING IF COSTS CONTINUED TO INCREASE. AT THE SAME TIME OLULEYE COMMITTED THE GOVERNMENT TO MAINTAINING FOREIGN EXCHANGE RESERVES EQUIVALENT TO CURRENT COST SIX MONTHS IMPORTS (RESERVES NOW EQUIVALENT 8 MONTHS IMPOSTS).

2. CAPITAL BUDGET BREAKDOWN AS GIVEN BY MINISTRY OF FINANCE FOLLOWS:

MANUFACTURING AND CRAFTS	NAIRA 1,024,870,000
--------------------------	---------------------

LAND TRANSPORT	1,368,000,000
----------------	---------------

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LAGOS 06213 021650Z

AGRICULTURE	741,540,000
-------------	-------------

EDUCATION	500,000,000
-----------	-------------

HEALTH	114,000,000
--------	-------------

HOUSING	256,800,000
TOWN AND CONTRY PLANNING	48,000,000
COMMUNICATIONS	514,466,400
POWER	355,434,000
SOCIAL DEVELOPMENT AND SPORTS	10,000,000
POLICE	88,697,000
DEFENSE	900,413,140

NOTE THAT ABOVE TOTALS NAIRA 5,922,220,540, NOT NAIRA 7,252,523,320 ANNOUNCED. INCREASED CAPITAL BUDGETS FOR SEVERAL MINISTRIES, INCLUDING THE CAPITAL EXANSIVE MINISTRY OF WATER RESOURCES, NOT INCLUDED. ALSO POSSIBLE THAT DATA GIVEN IS INCORRECT. WILL FORWARD COMPLETE/MORE ACCURATE FIGURES ASAP.

3. COMMENT: IF ALLEGED FALL IN NIGERIA'S FOREIGN EXCHANGE RESERVES IS CORRECT (SEE REFTEL) AND IF IMPORT COSTS CONTINUE TO RISE, IT LIKELY THAT FMG WILL BE HARD PUT TO MAINTAIN RESERVES EQUIVALENT TO SIX MONTHS IMPORT COSTS BY END OF FISCAL YEAR IN MARCH 78. INCREASED CAPITAL BUDGET WILL PUT ADDITIONAL STRAIN ON RESERVE LEVELS. INFUSION FOREIGN LOAN CAPITAL WOULD RELIEVE PRESSURE AT LEAST OVER SHORT RUN, BUT SO FAR EMBASSY HAS NO KNOWLEDGE OF ANY LOANS EXCEPT RECOMMENDED

UNCLASSIFIED

PAGE 03 LAGOS 06213 021650Z

AGRICULTURAL LOAN PACKAGE BY WORLD BANK IN DOLLARS 100 MILLION RANGE. EVEN IF LOANS SOON FORTHCOMING, INFLATIONARY IMPACT SHOULD BE STRONG.  
EASUM

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOVERNMENT BUDGET  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 02-Jun-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977LAGOS06213  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770197-0651  
**Format:** TEL  
**From:** LAGOS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770699/aaaadifv.tel  
**Line Count:** 101  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** d10ec486-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION AF  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 LAGOS 6177  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 18-Oct-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2307175  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FY 1977/78 NIGERIAN CAPITAL BUDGET INCREASE  
**TAGS:** EFIN, NI  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/d10ec486-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009